

REMARKS/ARGUMENTS

Claims 1-5 are pending. Claims 1-3 and 5 have been amended and new claim 6 has been added. Therefore, upon entry of this amendment, which is respectfully requested, claims 1-6 will be pending.

The specification was objected to as containing embedded hyperlinks. Appropriate correction has been made by way of amendments to the specification so as to remove actual URL links, yet provide the arguments that would be included in the links.

Claims 1-5 were rejected under 35 USC §101 as failing to set forth a concrete, useful and tangible result. Specifically, it was stated that claim 1 provides a connection to a server to play an ad, but does not positively recite the step of playing the ad. Claim 1 has been amended to positively recite playing streaming content on the media player. Accordingly, it is respectfully requested that this rejection be withdrawn.

Claims 1-5 were rejected under 35 USC §103(a) as being unpatentable over Reilly *et al.*, US Patent No. 5,740,549 (hereinafter "Reilly").

Reilly teaches a system in which a workstation establishes communication with a data server from time to time so as to update information items and advertisements stored in local memory. The workstation also includes a display controller that displays a subset of the stored information and advertisements when the workstation meets an idleness criteria.. It is clear from this, that Reilly does not teach or suggest playing streaming advertisement and media content from a server as is claimed. Rather, Reilly teaches playing stored advertisement content from a local memory when the system is idle. Further, Reilly fails to teach or suggest a playlist that includes for each advertisement an indicator that indicates when the advertisement should be played in relation to the media content as is presently claimed. Accordingly, it is respectfully requested that this rejection be withdrawn.

Support for the amendments to claim 1 and new claim 6 can be found, for example, at page 10, lines 3 - 25.

Appl. No. 09/773,943
Amdt. dated July 12, 2004
Reply to Office Action of February 10, 2004

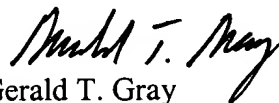
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CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 925-472-5000.

Respectfully submitted,


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